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1952
STATE LEGISLATION
AFFECTING
THE REA PROGRAM

1952 STATE LEGISLATION AFFECTING THE REA PROGRAMS

General. Sixteen State legislatures met in regular session between January and June, 1952. Three - California, Colorado and Maryland - were restricted to fiscal matters. General sessions were held and have already adjourned in 8 States - Arizona, Kentucky, Mississippi, New Jersey, New York, Rhode Island, South Carolina and Virginia. General sessions have not yet adjourned (as of June 2, 1952) in 3 States - Louisiana, Massachusetts and Michigan. The Georgia and Missouri legislatures reconvened their 1951 sessions in 1952 and have adjourned. Three special sessions were convened, one in California which also met in restricted regular session; the others being Idaho and Nebraska.

Legislative programs were considered and formulated as required and administratively handled in the same manner as reported in the report on 1951 legislation. More than 16,000 bill titles were examined. Several hundred bills were obtained and analyzed. The following is a brief summary of developments at the 1952 sessions.

Rural Electrification Legislation - Affirmative.

Amendatory Legislation. Virginia enacted an amendment of the Electric Cooperatives Act to permit the State association of electric cooperatives to use the words "Electric" and "Cooperative" in its name. In Missouri, an attempt to amend the Rural Electric Cooperative Act, relative to qualifications of directors, intended to resolve any doubt as to incorporation of federated cooperatives thereunder, passed the House but was stymied in the Senate after the introduction of an amendment which would have blocked the SPA arrangement. In Georgia, a perfecting amendment to the 1950 amendment of the Electric Membership Corporation Act dealing with disposition of property failed of passage.

Anti-pirating. In Missouri, a bill to prohibit "pirating" of cooperative consumers failed.

Rural Electrification Legislation - Defensive.

Commission Regulation. In South Carolina, a bill to amend the Rural Electric Cooperative Act to subject the electric cooperatives to the jurisdiction of the Public Service Commission, died in the Committee of the House where the bill originated.

Quorum Requirements. A South Carolina bill to amend the Rural Electric Cooperative Act to provide a minimum of 50 members as a quorum requirement was defeated.

Taxation. Colorado adopted legislation subjecting cooperatives, including electrification and telephone cooperatives, to income taxation. Mississippi bills requiring cooperatives, both electrification and telephone, to file exemption affidavits and information returns, for income tax purposes, and imposing sales and use taxes, were defeated.

Chattel Mortgages. The Kentucky and South Carolina legislatures rejected bills which would have required more frequent refiling of chattel mortgages.

Licensing and Inspection. Legislation relating to the licensing of electricians and electrical contractors and providing for electric wiring inspection failed in Michigan. A Virginia bill providing for meter inspections also failed.

Rural Telephone Legislation - Affirmative.

Telephone Cooperative Enabling Legislation. The Rural Telephone Cooperative Act was introduced but failed to pass in Mississippi, Missouri and South Carolina. A Michigan bill to amend the corporation laws to permit the organization of nonprofit telephone companies also failed.

Amendatory Legislation. Georgia amended its Rural Telephone Cooperative Act by changing the definition of "rural area" to include areas outside of cities, towns, etc. having population in excess of 1500 rather than 1,000, as originally provided. An attempt to amend the 1950 Kentucky Rural Telephone Cooperative Act to remove several obstructive provisions was unsuccessful.

Workmen's Compensation. Georgia amended its Workmen's Compensation Act to cover employees of telephone cooperatives.

Rural Telephone Legislation - Defensive.

Taxation. (Covered under "Rural Electrification Legislation - Defensive Taxation".)

Charles U. Samenow

Charles U. Samenow, Consultant

Ira Shesser

Ira Shesser

Office of the Administrator

1952 Maryland Legislation - Final Report
Session: February 6 to March 6, 1952

[The session of the Maryland legislature convening in even numbered years is limited in subject consideration to budget, revenue and financial matters of state government, emergency measures, and legislation in the general public welfare.]

A. Affirmative

No affirmative program of legislation was undertaken by REA borrowers.

B. Defensive

None.

C. Collateral

Failed:

Sales Tax - Electricity - S.B. 42, died in the Senate, would have amended Sections 320 and 322 of Article 81, Annotated Code of Maryland, relating to the Retail Sales Tax Act by exempting from said tax sales of electricity, oil, gas, etc. and other fuels when used for heating premises used solely or principally as residences or dwelling units.

H.B. 37, died in House, was similar to S.B. 42 and would have amended the same sections of the code by exempting sales of electricity, gas, oil, etc. when used for household purposes in premises used mainly as regular or permanent residences.

Telephones - H.B. 10, died in the House, would have added a new section to Article 78, Annotated Code of Maryland, relating to the Public Service Commission, requiring every telephone company in the State to report to the State's Attorney any instance in which two or more main telephones each with a separate central office line have been or are installed in any house, apartment or other form of separate residential dwelling unit.

1952 Massachusetts Legislation - Interim Report, May 15, 1952
Session: Convened January 2, 1952 - Still in session

Governor's Message

The following excerpt is from the January 2, 1952, message of Governor Paul A. Dever, to the legislature:

"Natural Resources . . .

"High Cost of Fuel, Transportation and Power . . .

"Relatively high charges for electric light and power are largely due, no doubt, to the high costs involved in its production here. However, we should note with gratification that our capacity for production and distribution is ample to take care, not only of our present needs, but also, any immediate future needs arising out of industrial growth.

"Regional resources for the development of hydro-electric power remain largely untapped. When properly exploited, they will provide a supply of inexpensive and abundant power, second to none, in the country. That, however, will require a Federal regional project comparable to the valley authorities of the Tennessee, the Columbia and the Missouri River basins.

"There are two principal reasons in support of the statement I have just made,

"First. The cost of complete multi-purpose water development including control of floods, elimination of pollution, navigation and conservation as well as hydro-electric exploitation, is beyond the limited commercial interests and resources of private enterprise. In fact, the projects which long range considerations require for the development of hydro-electric power, without regard to other purposes, are themselves, too vast and costly to attract the investment of private capital. Billion dollar undertakings which require a half century or more to pay off are not notably attractive as investment risks. However sure they may be, they are far too slow in yielding a return. Private capital with its legitimate and understandable interest in an immediate return can be employed more profitably in the distribution rather than the production of hydro-electric power.

"Second. Our river basins are not confined to Massachusetts. They are regional and can be exploited only upon a regional basis. Moreover, between 50 and 65 percent of all of New England's remaining undeveloped water power is within the state of Maine. There it remains sealed in by the 1909 Fernald law which forbids a corporation to transport hydro-electric power across the state's borders.

"A recent study of this subject in a book entitled The Power Policy of Maine by a Columbia University teacher named Lincoln Smith demonstrates that the Maine law never succeeded in doing what was intended by it; has

held back the development of the whole area; and prevents private capital from connecting all of the region in a 'grid' system as is the custom elsewhere.

"A Federal authority could not be confined by this archaic law which for 40 years has perpetuated Maine in economic isolation and has deterred private capital from harnessing the tremendous power potential of her rivers.

"The President's Inter-Agency Committee to survey the resources of the New England-New York area and with which, following my recommendations in 1950, we are cooperating, can be expected to initiate a program to procure a valley authority for public power and other water development in this part of the country."

A. Affirmative

None.

B. Defensive

None.

C. Collateral

Enacted:

Public Utilities - Cutting Off Service - H. 2054, approved February 27, 1952, Chapter 102, amends Section 24, Chap. 164, General Laws of Massachusetts relating to the requirement of giving "notice" prior to shutting off service by electric or gas companies by excepting Saturday, Sundays and holidays from 36 hour notice period.

Pending:

Hydroelectric Resources - H. 2242, in Committee on Joint Rules would authorize the Committee on Power and Light to sit during the recess of the legislature for the purpose of investigating the control of the waters of the Merrimack River for hydroelectric power, the financial structure of the New England Telephone and Telegraph Company, etc., and related matters.

1952 New Jersey Legislation - Interim Report, May 27, 1952
Session: January 8 to April 14, 1952

(Note: The New Jersey Constitution provides that the legislature meet 45 days after adjournment to consider and act on any bills which the Governor has vetoed. The Constitutional session convened on May 27, 1952 and recessed until June 9, 1952.)

Governor's Message

The following excerpt is from the January 8, 1952 message of Governor Alfred E. Driscoll to the legislature:

"Modernization of the Laws

".... The logical step remains of revising and bringing up to date the balance of our statute law, particularly those aspects relating to practice and procedure and to the principal departments resulting from the administrative reorganization program. A major part of this task will include a complete modernization of antiquated Title 48 of the Revised Statutes which embodies the laws relating to public utilities. ..."

A. Affirmative

No affirmative legislative program was undertaken by REA borrowers in New Jersey.

B. Defensive

None.

C. Collateral

Enacted:

Public Utility Commissioners - A.B. 292, approved and effective April 8, 1952, Chapter 10, amends Section 48:2-32.1 of the Revised Statutes, to authorize the Board of Public Utility Commissioners to designate certain employees of the board to conduct hearings with the powers of a single commissioner and to make recommendations to the board. (The explanatory statement accompanying this act states that its purpose is to expedite the work of the board and to relieve the members of the board from sitting in proceedings that are more or less routine.)

Statute Revision - S.B. 161, approved and effective April 8, 1952, Chapter 11, provides for the creation of a Legislative Commission on Statute Revision. The act directs that "as one of its first tasks in the effectuation of its duties under this section the commission shall prepare and submit to the Legislature one or more proposed statutes completely revising and modernizing Title 48 of the Revised Statutes." (Laws relating to public utilities.)

Public Utility Commission - Territorial Disputes - S.B. 267, approved May 19, 1952, Chap. 245, authorizes the Board of Public Utility Commissioners to determine disputes in territories served with electric service including disputes between private and municipal corporations.

Failed:

Public Utility Commission - S.B. 66, died in Senate, would have increased the membership of the Board of Public Utilities from three to five and provided that one member shall represent labor interests and one member represent consumer interests.

1952 New York Legislation - Final Report
Session: January 9 to March 20, 1952

Governor's Message

The following excerpts are from the January 9, 1952 message of Governor Thomas E. Dewey to the 175th Legislature of the State of New York:

"Niagara and St. Lawrence

"The Legislature at its last session took action re-affirming and strengthening our State's great program for the development of cheap hydroelectric power from the Niagara and St. Lawrence Rivers. In spite of the most strenuous efforts of your State Power Authority to proceed with the development of these projects, another year has been wasted and we are still being blocked by a stubborn group of Washington officials some of whom seem determined that all hydroelectric power developments in the country must belong to the Federal government.

"As for Niagara, Congress has withdrawn this project from normal licensing procedure under the Federal Power Act and has failed to act on legislation that would permit New York to go ahead. As for the St. Lawrence power project, that has again been defeated in committee of the House of Representatives because of its association with the controversial seaway proposal. This further delay of just one year in these developments has cost the people not less than 50 million dollars in power bills. While the waters from these two great rivers run to waste, a most essential government defense plant manufacturing aluminum for the building of airplanes, which borders the St. Lawrence River, must import power from high-cost plants in Pennsylvania.

"One fact has clearly emerged. Our opposition has been revealed for what it really is - a stubborn scheme on the part of a group of empire builders in the Department of the Interior to prevent the development of hydroelectric resources by the Northeastern States and to impose a Federal power network on our section of the country. Needless to say we shall fight this scheme to the last ditch and I believe we will ultimately win.

"Recent developments encourage me to put forward again the proposal we have repeatedly made for the last four years. Chief of these developments is the decision of the Canadian government, in the light of the continued defeat of the American-Canadian seaway project, to build the St. Lawrence seaway itself. Before the seaway locks can be built on a practical basis, however, it is necessary that a power dam be constructed, turning the St. Lawrence rapids into a great still lake. This is where our New York proposal becomes important.

"New York stands ready to build its half of the power project on the St. Lawrence on terms which guarantee that the benefits are shared equally by every user in the State. The Province of Ontario stands ready to build its half. All that is needed is a license from the Federal Power Commission and approval for the power development.

"No action by your Honorable Bodies is needed at this time as to either Niagara or St. Lawrence. The State of New York is ready, willing and able to proceed with these great developments for cheap power without cost to any taxpayer - State or Federal. In these days when it is so desperately necessary to build up the power potential of our nation, when New York and her sister states of the Northeast are so gravely in need of additional electrical energy to power our great industries and to serve our farms and homes, it is a crime that these developments should be further delayed."

A. Affirmative

No affirmative legislative program was undertaken by the REA borrowers in New York.

B. Defensive

No legislation which would adversely affect the rural electrification or telephone programs was noted

C. Collateral

Enacted:

Flood Control - S.B. 259, approved and effective February 14, 1952, Chapter 13, continues to March 31, 1953, the temporary state commission created by Chap. 16, Laws of 1936, to assist in the institution and consummation of a Federal long-range program of flood control and regulation of waters within the state.

Membership Corporations - Dissolution - S.B. 17, approved and effective February 14, 1952, Chapter 18, amends Section 55 of the Membership Corporations Law to provide for the dissolution without judicial proceedings, of a membership corporation having over 500 members, where a certificate is executed by certain officers with an affidavit stating that they have been authorized to do so by a two-thirds vote of the members.

Municipal Electric Utility Depreciation Reserve Funds - S.B. 2065, approved and effective April 3, 1952, Chapter 451, amends the general municipal law by adding a new section, Sec. 6-k, establishing an electric utility depreciation reserve fund.

Public Utilities - Condemnation - S. 2066 approved and effective April 4, 1952, Chapter 508, as amended by S. 2897, approved and effective April 4, 1952 Chapter 515, amends the condemnation law in relation to proceedings against public utilities. The statement of legislative findings contained in the text of these laws states that "The legislature hereby finds that there have been recent instances in which public corporations have acquired by condemnation substantially the entire operating property of privately owned utility companies; that the condemnation proceedings were not in any real sense adversary; that because of inadequate presentation awards were made not based upon the damage to the private owner but, contrary to law, upon the benefit to the condemnor; that in computing the

award to be given the private owner inadequate consideration was given to the regulated nature of the owner's property and business and its previous dedication to the public use, and that the public and customers previously served by these private utilities and new customers of the public corporations will be seriously damaged because of the excessive amount paid for the acquisition of these utility properties by the public corporations concerned. It is therefore intended to protect the interest of the public in the property of public utility companies and the persons now or hereafter receiving service from utility companies from a recurrence of such excessive awards and, without attempting to mandate the basis of valuation to be followed, to direct the attention of the courts and commissioners of appraisal to the general desirability of the result derived by capitalizing the income which the private company could be expected to earn while subject to regulation as a public utility from rates fixed with due regard among other things to a reasonable average return upon capital actually expended, as last ordered, authorized or otherwise determined by the public service commission."

1952 Rhode Island Legislation - Final Report
Session: January 1 to April 22, 1952

Governor's Message

The following excerpt is from the January 1, 1952 message of Governor Dennis J. Roberts to the legislature:

"Public Utilities"

"This administration is acutely aware of rising public utility costs. Petitions for increase of rates before the Public Utility Administrator set an alarming continual and continuing pattern. One concession leads only to another demand. The propaganda that each increase is small to the individual conceals the cumulative costs and the tremendous total gains to the utility.

"These public utilities enjoy a monopoly under our laws. It is the purpose of this administration to strengthen the supervision of these companies. Their policies, practices, and programs must be efficiently related to Rhode Island needs. Their rates must be realistic and reasonable to the domestic and industrial consumers from whom these utilities derive their powers and their profits.

"The personnel for public utility supervision will be expanded to provide professional engineering and accounting controls of plant actually used and useful in service to the public. In the meantime, every approach for a rate increase will be subjected to examination and cross-examination as to its absolute necessity and for purposes that are warranted. It is our duty to the public to watch these vital costs, and this administration is dedicated to this purpose."

A. Affirmative

None.

B. Defensive

None.

1952 Virginia Legislation - Final Report
Session: January 9 to March 29, 1952

A. Affirmative

Enacted:

Electric Cooperatives - S.B. 262, approved and effective April 1, 1952, Chap. 408, amends the Electric Cooperative Act, Section 56-212, Code of Virginia, 1950, relating to the use of the words "electric co-operative" in corporate names, to permit its use by "non-stock corporations of which electric co-operatives are members."

This bill was sponsored by the Virginia REA Association in order to permit it to change its name. As its quarterly meeting on April 22-23, 1952 the name of the organization was changed to the Virginia Association of Electric Cooperatives.

B. Defensive

Failed:

Meter Inspections - H.B. 47, died in the House, would have added two new Sections 59-135.1 and 59-135.2 to the Code of Virginia, 1950, requiring the installation of certain measuring devices on meters and providing for rules and regulations requiring inspections and tests, etc. Section 59-135.2 of this bill related to electric meters and would have prohibited the use of any meter not approved by the Commissioner of Agriculture and Immigration. It provided for the inspection and testing of meters and imposed a fee of not to exceed \$5.00 for each meter inspection, the cost to be absorbed by the seller unless the consumer requested the test.

C. Collateral

Enacted:

Electric Utilities - Short Term Notes - H.B. 35, approved February 28, 1952, Chapter 148, adds a new section 56-65.1 to the Code of Virginia, 1950, relating to the issuance of short term notes by electric utilities

Public Utilities - Easements - S.B. 224, approved February 19, 1952, Chapter 74, authorizes the State Board of Education to grant easements over any properties under its jurisdiction to any public utility or public service company for the purpose of erecting and maintaining power lines, telephone lines, etc.; providing that any deed or conveyance executed be approved by the Attorney General; and any funds derived by the Board in consideration of the granting of such easement be paid into the general funds of the State Treasury.

Public Utilities - Operation by the State - H.B. 704, approved April 7, 1952, Chap. 696, declares it to be the public policy of the State to

prevent interruption or suspensions in the operation of public utilities and authorizes the Governor to take possession of and operate on behalf of the State public utilities whose operations are threatened with curtailment.

S.B. 412 (same as H.B. 704), died in the House.

Public Utilities - Mediation of Labor Disputes - H.B. 706, approved April 7, 1952, Chapter 697, adds Sections 40-75.1 to 40-75.6 to the Code of Virginia, 1950, designating the Department of Labor and Industry as the State agency established to mediate and conciliate labor disputes between public utilities and their employees.

S.B. 404 (same as H.B. 706), died in the House.

Telephone and Telegraph Companies - Liability - H.B. 679, approved March 31, 1952, Chapter 376, adds Section 56-469.1 to the Code of Virginia, 1950, to provide that telegraph and telephone companies undertaking without compensation to sound any fire alarm, in cooperation with the governing body of any town, city or county or the fire department thereof, shall not be liable in any proceedings growing out of the performance or non-performance of such undertaking.

Electric Substations - Destruction - H.B. 666, approved by the Governor, Chapter 594, amends Section 18-153, Code of Virginia, 1950, relating to the penalty for burning or otherwise destroying certain buildings or structures by adding several additional types of structures including electric substations.

Telephone Service - S.J.R. 55, adopted March 8, 1952, authorizes the State Corporation Commission to investigate the operations of the Virginia Telephone and Telegraph Company to determine whether or not it is furnishing proper service to its patrons.

Failed:

Telephones - Extension to Rural Areas - S.B. 18, died in the Senate, would have amended the Telephone Cooperative Act, Section 56-478.1, Code of Virginia, 1950, relating to the extension of telephone facilities to rural areas by increasing, from five to eight, the number of persons required to file an application with the State Corporation Commission requesting service in a rural area and adding language providing that the telephone company required to furnish service shall have the burden of proof in showing the anticipated rate of return from the extension.

Telephone Companies - Rate of Return - S.B. 16, died in the Senate, would have requested the State Corporation Commission to make recommendations to the General Assembly for changing Section 156 of the Constitution relating to telephone companies to permit the enactment of legislation relating to limitation on brokerage fees; establishing maximum rate of return; and establishing a basis of property values for rate making purposes.

Telephone Companies - Rate Changes - S.B. 157, died in the Senate, would have amended Section 56-481, Code of Virginia, 1950, relating to rates established by telephone corporations by requiring that no change in rates shall be effective until thirty days after such rate change has been mailed to the governing body of the city, town or county wherein such change is proposed to be effective.

Public Utilities - Rate Changes - S.B. 156, died in the Senate, would have amended Section 56-237, Code of Virginia, 1950, relating to rate changes by certain public utilities by requiring that no change in rates shall be effective until thirty days after such rate change has been mailed to the governing body of the city, town or county wherein such change is proposed to be effective.

Filing Plats - Electric Companies - H.B. 368, died in the Senate, would have amended Section 25-9, Code of Virginia, 1950, relating to plats accompanying petitions in condemnation proceedings. This bill would have imposed additional requirements on electric companies in such condemnation proceedings by requiring them to file a plat of the survey showing the location of all structures to be erected and to indicate the voltage of the electric lines to be constructed.

1951-52 Georgia Legislation - Final Report*
 Sessions: January 8 to February 16, 1951
 January 14 to February 12, 1952

(The regular session of the Georgia legislature convenes biennially in odd-numbered years and its meetings are limited to 70 calendar days. However the legislature may recess before the expiration of the time limit and reconvene the following year to complete the balance of the session, as it did this session. Legislation not finally disposed of at the first session may be considered at the next meeting in the following year along with newly introduced bills.)

A. Affirmative

Enacted - 1952:

Rural Telephone Cooperative Act - Amendment - H.B. 676, approved and effective January 31, 1952, Act 517, amends Sections 3(d) and 4(e) of the Georgia Rural Telephone Cooperative Act (Act 673, Georgia Laws, 1950) to increase the population limit with respect to rural areas from one thousand to one thousand five hundred inhabitants. Section 3(d) contains the definition of "rural area" and Section 4(e) pertains to cooperative service to rural areas.

This amendment was sponsored by REA telephone borrowers to permit the Pineland Telephone Cooperative to operate in Twin City, Emanuel County, Georgia. The bill was introduced on January 15, 1952 by Representatives Smith of Emanuel, Ray of Warren and Hand and Twitty of Mitchell. It passed the House on January 21 by a vote of 121 to 0 and passed the Senate on January 30.

Workmen's Compensation - Telephone Cooperatives - H.B. 420, approved and effective February 15, 1952, Act 754, amends Section 114-101, Code of Georgia, 1933, relating to the definition of "employer" for the purpose of the Workmen's Compensation Act so as to include in this definition "any telephone cooperative organized under the Rural Telephone Cooperative Act, (Georgia Laws 1950, No. 673, pages 192-219), or other cooperative or non-profit corporation engaged in furnishing telephone service."

This amendment was introduced by Rep. Duncan of Carroll in the 1951 session of the legislature at the request of REA borrowers.

Failed:

Electric Membership Corporations - Disposition of Property - H.B. 418, died on House Calendar, would have amended Subsection (b) of Section 34-A-128a, Georgia Code, 1933, relating to the disposition of corporation property. This provision was originally added to the Electric Membership Corporation Act by Act No. 683, Georgia Laws 1950. However through inadvertence

*Supersedes 1951 "Interim Report"

language was omitted and as a result the meaning of the subsection was garbled. H.B. 418 provides that the vote of a majority of all members of an electric membership corporation may authorize the sale, mortgage, lease, or other disposition or encumbrance of all or a substantial portion of the corporate property and that the board of directors, upon vote of a majority of those members of the corporation present at a membership meeting, may sell, lease or otherwise dispose of such property to another corporation or foreign corporation doing business in Georgia under the Electric Membership Corporation Act or to the holders of bonds, notes, etc. issued to the United States. The bill was introduced by Rep. Duncan of Carroll on January 31, 1951. It was reported by the Committee and placed on the House Calendar for passage but was not reached by the time the legislature recessed in 1951. No action was taken on this bill during the 1952 session and the bill died on the House Calendar.

B. Defensive

Enacted:

Sales Tax - H.B. 2, approved February 20, 1951, Act 240, entitled the "Georgia Retailers' and Consumers' Sales and Use Tax Act", imposes a 3% tax on sales, services, rentals, goods, etc. Section 3(a) of the act defines "person" to include cooperatives and non-profit membership corporations. Section 3(c) defines "retail sale" and includes the sale of electricity, local telephone services, etc.

Failed:

Licensing of Electrical Contractors - H.B. 182, died in House Committee on Industrial Relation, was introduced by Rep. Alverson of Fulton on January 17, 1951. It would have created a State Board of Examiners of Electrical Contractors. The Board would have had authority to license electrical contractors and require the inspection of all electrical installations, charging fees for such inspection as provided in the bill. Section XI prohibited any person, firm or corporation from engaging in the business of installing, maintaining or repairing electrical equipment, wiring, etc., unless they have an electrical contractor's license. This provision does not apply to: the construction and maintenance of power systems for the generation and distribution of electric current; the installation, construction, maintenance or repair of telephone, telegraph, or signal systems by public utilities; the installation of temporary equipment for use by contractors in connection with construction work; the installation of equipment, etc. on their own property by persons or firms employing an employee who has an electrical contractor's license.

C. Collateral

Enacted - 1951:

Electricians - Board of Examiners - Local - H.B. 238, approved February 8, 1951, Act 87, amends the act of March 15, 1943 creating a board of

electrical examiners in certain counties, by making it applicable to counties having a population between 120,000 and 145,000 according to the 1950 census instead of to counties having a population between 85,000 and 90,000 according to the 1940 census.

Utilities - Franchises - LaGrange - S.B. 140, approved February 19, 1951, Act 178, amends the charter of the City of LaGrange to authorize the city to grant franchises for the erection and operation of electric lines and poles, telephone lines, etc. and other public utilities within the corporate limits of the city.

Enacted - 1952:

Cooperative Marketing Associations - H.B. 671, approved and effective February 15, 1952, Act 740, repeals Title 65, Sections 101 to 111 inclusive, 1933 Code of Georgia, providing for the creation of cooperative marketing associations. The act provides that cooperative corporations which had been formed under this section, prior to its repeal, shall continue to be governed by its provisions "until or unless it shall reincorporate or incorporate under the subsisting statutes of Georgia", but that "the charter of said cooperative corporation shall not be renewed upon the date of expiration set forth in said charter."

Corporations - H.B. 663, approved and effective February 15, 1952, Act 784, amends the Corporation Act of 1938, (Title 22, Sections 1830-1831 and Sections 1862 and 1863) by adding a provision to Section 12 relating to the preemptive rights of shareholders and a provision to Section 27 relating to voting trusts.

Failed:

Public Utilities - Labor Disputes - H.B. 325, died in House Committee, would have provided for the mediation of labor disputes in public utilities and would have permitted the seizure and operation of public utilities by the State in order to insure continuous operation.

1952 South Carolina Legislation - Final Report
Session: January 8 to March 8, 1952

(Note: The General Assembly of South Carolina is elected for a two year term and meets in annual sessions. The first session of each legislature convenes in the odd-numbered years. Legislation introduced in the first session and not finally disposed of may be considered during the second session which meets in the even-numbered years. This report covers legislation disposed of in 1952 which was carried as pending in the 1951 report, or which was introduced in 1952.)

A. Affirmative

Failed:

Rural Telephone Cooperative Act - S. 376, introduced April 19, 1951 by Senators Leppard, Jefferies, et al, and referred to the Senate Committee on Judiciary, died in the Senate Committee. This bill was the same as the recommended model Rural Telephone Cooperative Act with the necessary modifications to conform with South Carolina law. Section 32 provides for payment of an annual fee in lieu of all taxes at the rate of \$10 for each hundred persons or fraction thereof.

B. Defensive

Failed:

Rural Electric Cooperatives - Quorum - S. 461, introduced by Sen. Williams of Greenville, died in Rural Electrification Committee, would have amended Subsection (f) of Section 8555-98, South Carolina Code, 1942, relating to the Rural Electric Cooperative Act, so as to provide that fifty members shall constitute a quorum for the transaction of business at all meetings instead of the present requirement of five percent of the members.

The South Carolina Electric Cooperative (State Association) opposed this bill. It was pointed out that the proposed change could prevent the organization and functioning of new cooperatives which usually begin operations with a small number of incorporators and do not take applicants into membership until they are connected. The bill which had been placed on the Calendar of the Senate for consideration was ordered re-committed to the Rural Electrification Committee on January 30, 1952 where it remained.

Public Service Commission - Jurisdiction - H. 1308, introduced March 20, 1951 by Rep. McQueen, Dillon County, would have amended Section 8555-119, South Carolina Code, 1942, which presently exempts electric cooperatives from the jurisdiction of the Public Service Commission, by providing that they shall be placed "under the control and jurisdiction of the public service commission in like manner as the commission exercises jurisdiction over other electrical utilities."

This bill which had been introduced at the 1951 session of the legislature was not acted on during the 1952 session and died with the adjournment of the legislature. Efforts to have Rep. McQueen withdraw his bill from consideration were not successful, but the co-operatives' supporters were able to block action on the bill during the 1952 session.

Chattel Mortgages - Renewal - H. 1891, introduced in the 1952 session, died in the House, would have amended Sections 8876 and 8877, South Carolina Code, 1942, relating to chattel mortgages. This bill would have provided that after a chattel mortgage has been twice extended for 3 year periods, the mortgage, or a copy thereof, must then be recorded and indexed again in the manner that mortgages are required to be recorded originally.

C. Collateral

Failed:

Electrical Inspector - Aiken County - H. 2060, introduced in 1952, died in the Senate, would have created the post of County Electrical Inspector for Aiken County; provided for the licensing of electricians in Aiken County; established inspection fees; and provided penalties for any unlicensed electrician operating in the county.

1952 Kentucky Legislation - Final Report
Regular Sessions: January 8 to March 21, 1952

A. Affirmative

Failed:

Rural Telephone Cooperatives - H.B. 365, died in the House Committee on Public Utilities, would have amended the Kentucky Rural Telephone Cooperative Act of 1950 (KRS 279.310 to 279.600, inclusive) as follows:

1. Subsection 8 of Section 279.310 relating to the definition of "member" would have been amended by striking out the words ", and each common stockholder in a corporation having capital stock, organized under this Chapter (KRS 279.310 to 279.600)."
2. Subsection (1) of Section 279.360 relating to the general powers of rural telephone cooperative corporations would have been amended by striking out the proviso at the end thereof imposing certain prohibitions and restrictions against the construction and operation of telephone lines by a cooperative in (1) any rural area presently being furnished telephone service by a telephone company unless the Public Service Commission shall make a determination that such company "is unwilling or unable to furnish reasonably adequate telephone service in such area" or (2) any rural area proposed to be served by a telephone company "within such period of time as may, after hearing, be determined to be reasonable by the Public Service Commission." In lieu of the above proviso, language permitting a cooperative to furnish telephone service outside of a rural area would be added to this subsection as follows: "and, provided, further, that a cooperative may furnish, improve and expand telephone service outside of rural areas where necessary in order to furnish, improve and expand telephone service in rural areas."
3. Subsection (2) of Section 279.360 relating to the general powers of rural telephone cooperative corporations would have been amended by striking out the proviso at the end thereof which permits a cooperative to furnish service outside of rural areas if such service is determined to be necessary by the Administrator of REA and if such determination is approved by the Public Service Commission "after proper hearing or reasonable notice to all interested parties."

This bill was sponsored by telephone cooperative groups in Kentucky who were seeking to eliminate from the Kentucky Rural Telephone Cooperative Act those portions of the act which imposed unnecessary burdens and restrictions on the activities and operations of telephone cooperatives. The first section of the bill would have eliminated language which was inconsistent with other provisions of the act relating to the issuance of stock.

The second section of the bill would have stricken from the act limitations and restrictions which are so general, vague and uncertain that they tend to defeat the very purpose of the act. These prohibitions subject the cooperatives seeking to bring their members telephone service under this act to the hazards of endless litigation both before the Public Service Commission and in the courts. Further this restrictive language does not give consideration to the fact that telephone service now available in many rural areas is defective, inadequate and unreliable. In view of the very considerable extent to which rural telephone service in many places has deteriorated, it would be a disservice to prohibit the replacement of inadequate facilities. Finally there is no need or justification for this proviso when it is considered that a cooperative organized and operating under this act is completely subject to the jurisdiction of the Kentucky Public Service Commission. The considerations contained in this proviso are given effect by the Commission in reaching its decision as to whether or not to issue a certificate of convenience and necessity to a cooperative.

The third section of the bill would have stricken from the act the proviso permitting telephone cooperatives to give service outside of rural areas if such service is determined to be necessary by the Administrator of REA and if such determination is approved by the Public Service Commission "after proper hearing or reasonable notice to all interested parties." This provision has no place in this act inasmuch as complete jurisdiction over cooperatives is given to the Public Service Commission. It creates an additional burden of requiring a separate hearing on the question of the REA Administrator's determination of necessity. These matters are all covered in the certificate proceeding and should not be made the subject-matter of a needless additional condition upon the exercise of a cooperative's power to serve once it has obtained a certificate. In place of the stricken language there would have been added to Subsection 1 of Section 279.360 a proviso permitting a cooperative to furnish telephone service outside of rural areas where necessary "in order to furnish, improve and expand telephone service in rural areas."

B. Defensive

Failed:

Chattel Mortgages - S.B. 20, died in the House, would have amended Section 382.720, KRS, relating to the filing of chattel mortgages. As introduced this bill would have reduced from 7 to 3 years the period for the duration of the validity of the lien of chattel mortgages and the period for which such mortgages may be extended. As amended and passed by the Senate this bill would have retained the 7 year period for the duration of validity of a chattel mortgage but would have reduced the period for which it may be extended to 3 years.

C. Collateral

Enacted:

Public Service Commission - S.B. 131, approved March 5, 1952, amends several sections of Chapter 278, KRS, relating to the regulation of

utilities. Section 278.130 is amended by increasing the allowable yearly assessments against utilities for the support of the Public Service Commission. Section 278.190 is amended by providing for the suspension of new rate schedules for a period of 5 months from the proposed effective date pending the holding of a hearing on the reasonableness of such new rates. Such hearings may be initiated by the Commission and the burden of proof is placed on the utility to show that new rates are just and reasonable. New rate schedules may be made effective immediately, but utilities are required to maintain accurate detailed accounts of such increase until completion of Commission hearing in order that refunds may be made if the Commission so orders. Section 278.290 is amended by adding "capital structure" as an element to be considered when the value of a utility's property is being determined for rate-making purposes. Section 278.410 is changed to provide that any action against the Commission must be instituted in the Franklin Circuit Court rather than any Circuit Court in the State. Section 278.450 gives the Circuit Court additional power to modify an order of the Commission.

Public Utilities - S.B. 159, law without approval March 14, 1952, amends Section 96.540, KRS, relating to utilities owned by cities of the second to sixth classes by providing that the consent of two-thirds of the voters of such cities is required to permit the sale, lease, etc. of utilities owned by the city. H.B. 303 (same as S.B. 159) died in the House.

Failed:

Utilities - Rates - H.B. 23, died in House Committee, would have amended Section 278.190, KRS, relating to public utility rates and the holding of hearings relating to the reasonableness of rates.

H.B. 102, died in House Committee, would have amended Sections 278.180 and 278.190, KRS, relating to the procedure for the establishment of new schedules of rates by public utilities.

Public Service Commission - H.B. 103, died in House Committee, would have amended Section 278.130, KRS, relating to the making of assessments against utilities for the support of the Public Service Commission.

1952 Mississippi Legislation - Final Report
Session: January 8 to April 12, 1952

A. Affirmative

Failed:

Rural Telephone Cooperative Act - H.B. 444, introduced February 27, 1952, by Representatives Blaine Eaton of Smith County and Clarence Pierce of Carroll County and 74 additional members of the House, failed in the House when a motion to suspend the rules of the House to consider this bill was defeated. The bill had been referred to the House Committee on Railroads and Public Service Corporations which voted 6 to 1 against it. The lone member who voted in support of the bill was Rep. I. V. Ross of DeSoto County, one of the bill sponsors, who signed a minority report which brought the bill out of committee and placed it on the House Calendar. In order to have the bill considered, under the rules of the House, it was necessary that a motion to suspend the rules be passed. This motion had to be adopted by a two-thirds majority of the members of the House. On April 1, Rep. Eaton offered such a motion and the House voted 91 to 31 in favor of it but this was three votes short of the required majority. On April 3, Rep. Maples of George County offered another motion to suspend the rules and the House voted 70 to 35 in favor of it. However this time the proponents of the bill were 24 votes short of the required two-thirds majority. With the adjournment of the legislature the bill died.

S.B. 397 (same as H.B. 444), introduced by Senator DeMoyville, died in the Senate Committee on Railroads and Franchises to which it was referred.

These bills were sponsored by the Mississippi Rural Electric Association and would have given the people of Mississippi a completely self-contained telephone cooperative enabling act which would permit them to take full advantage of the 1949 amendment to the Rural Electrification Act authorizing REA to make loans for rural telephone purposes. It was a revised version of H.B. 832, the Rural Telephone Cooperative Act which was defeated at the 1950 session of the Mississippi legislature. The changes in the 1952 bills were made to meet some of the objections which had been raised against H.B. 832. As in 1950 the opponents of this legislation conducted a vigorous and extensive campaign against it both in the legislature and the newspapers and were again successful in blocking its passage.

Legislation to provide for staggered terms for directors of electric power associations was recommended for consideration and sponsorship by the Mississippi State Association but no action was taken on this subject at the 1952 session of the legislature.

B. DefensiveFailed:

Cooperatives - Annual Information Returns - S.B. 46, died in the House, would have required cooperative associations, federations and corporations to file annual information returns with the State Tax Commission. The Senate Committee substitute for this bill defined "cooperative" to exclude "any non-profit cooperative association or corporation organized for the transmission of natural gas or electric power to ultimate consumers within the state." This bill passed the Senate and was revised by the House Committee to require that applications for exemption, exemption affidavits and informational returns be filed by "tax exempt organizations", which were defined to include "all cooperative associations or federations created and existing under any of the laws of this state for the transmission or distribution of natural gas or electric power to ultimate consumers within this state, or for providing telephone service within this state." Section 3 of the House Committee bill also provided that: "In addition to the foregoing, it is the purpose of this act to require that any cooperative association or federation shall distribute dividends to its patrons or members not later than ten (10) years after such dividends have been earned and such dividends shall be deemed to be earned on the date of the actual receipt of such funds or other assets by the cooperative."

Compensating Tax - S.B. 55, died in the Senate, would have imposed a tax for the privilege of selling or using, either by sale or purchase, tangible personal property imported into the State. Its purpose was to protect Mississippi merchants, who operate under the tax laws of the State and who meet the requirements of the Mississippi sales tax laws, against unfair competition from importations of goods and services into Mississippi without the payment of the retail sales tax. This bill would have assured the collection of a tax to compensate for the non-collection of the sales tax.

Sales Tax - S.B. 56, Sales Tax Law of 1952, died in the Senate, would have imposed a tax upon the privilege of engaging in certain businesses in Mississippi. Section 2(b) would have levied a tax equal to 2 percent of the gross income from the electric power sales of "Cooperative Power Associations and Rural Electrification Associations". It would also have imposed a tax on gross income from telephone service, whether rendered by a cooperative or commercial company. Section 2(c) would have imposed a tax on the business of contracting which would have been applicable to the contracts of electric cooperatives. Section 3 of the bill provided for certain exemptions from the sales tax and subsection (o) included "sales of tangible personal property or services taxable under Sections 2-a, 2-b, and 2-d of this Act to the United States Government, the State of Mississippi, counties and municipalities, its departments and institutions, natural gas districts, Cooperative Power Associations, Rural Electrification Associations, and Tennessee Valley Authority."

Officials of the Mississippi Rural Electric Association appeared before the Senate Finance Committee on February 19, 1952 and requested that bills of members of electric cooperatives be exempted from the sales tax.

They pointed out that their members are presently paying higher rates for their electric service in order that the cooperatives may extend their lines into thinner areas. In this connection they advised the committee that only about 65 percent of the farms in the State were electrified.

Electric Sales - Tax - H.B. 917, died in the House, would have amended Section 2-d, Chapter 119, Laws of 1934, to tax the sales of electric power or gas by a municipality, natural gas district, cooperative or REA.

C. Collateral

Enacted:

Income Taxes - H.B. 38, "Income Tax Act of 1952", approved April 16, 1952, levies an income tax on individuals, corporations, associations, trusts and estates. As originally introduced this bill listed in Section 14 those corporations and organizations which were exempted from the provisions of this act. It did not include electric power associations and there was some concern that Section 41 which provides for the repeal of any and all laws in conflict might be construed to include those provisions of law which presently confer exemption from income tax upon electric cooperatives (Section 9700, Miss. Code, 1942). Section 14 was amended to take care of this and as finally enacted it includes among the organizations exempt from taxation, "non-profit cooperative electric power associations or corporations."

Failed:

Public Service Commission - H.B. 887, died in House Committee, would have provided for the control and regulation of privately owned electric or gas public utilities by the Public Service Commission. This bill would have exempted municipally operated utilities and REA cooperatives.

Tax- Electric Lines - S.B. 43, died in the Senate, would have amended Section 29, Chapter 138, Laws of 1944, imposing a privilege tax on each mile of "pole-line" of electric light and power companies, by reducing the minimum taxable voltage from 10 KV to 8 KV.

H.B. 528 (same as S.B. 43) Died in the Senate.

Corporation Franchise Tax - H.B. 45, died in House, would have provided for the imposition of a franchise tax on certain corporations. As this bill was reported by the House Ways and Means Committee, it specifically exempted from its provisions "non-profit cooperative electric power association or corporation."

Telephone Rates - H.B. 670, died in House, would have prohibited the public service commission from granting excessive intrastate telephone and telegraph rates.

Engineering - Regulation - S.B. 8, died in House, would have regulated the practice of professional engineering and created a State Board of Registration for Professional Engineers.

Plumbers - Regulation - S.B. 57, died in Senate, would have created a State Plumbing Board and provided for the registration and regulation of plumbers and plumbing.

1952 Michigan Legislation - Interim Report, May 25, 1952
 Session: Convened January 9, 1952 - Still in Session

Governor's Message

The following excerpt is from the January 10, 1952 message of Governor G. Mennen Williams to the legislature:

"Public Utilities

"The recent policies of the Michigan Public Service Commission have been a source of satisfaction to the people of Michigan. All interested parties are now given a full opportunity to be heard and the staff recommendations become a matter of record before final decisions are made. I recommend to you that these improved practices should be written into the law. ...

"The recodification of the utility and carrier laws may soon be placed before you. Because regulatory legislation has great public importance, I urge your careful analysis and scrutiny before you act on such a code."

A. Affirmative

Failed:

Telephone Co-ops - S.B. 107, died in the Senate Committee on Corporations, would have amended the nonprofit provisions of the Michigan general corporation act by providing that "telephone companies not for pecuniary gain or profit for their members or associates may be organized under the provisions of this act."

This bill which was introduced on January 10, 1952 by Senator Reid is the same as H.B. 354 introduced in the 1951 session of the legislature by Rep. Einar E. Erlandsen of Escanaba. This legislation is needed because there is no adequate enabling act under which rural telephone cooperatives can be organized in Michigan. Telephone companies are required to incorporate under the Telephone Companies Act, (Sec. 22.1411, et. seq., Mich. Stats. Ann.) and may not be organized under the nonprofit provisions of the General Corporation Act. This bill was again sponsored by a Michigan telephone loan applicant, Rural Communications Cooperative of Gladstone, Mich. in cooperation with Rep. Erlandsen. Because H.B. 354 was passed by the House in 1951, but failed to be acted upon in the Senate, it was decided to introduce the bill in the Senate in 1952 in the hope that it would receive favorable action. However, the Senate Committee on Corporations failed to report this bill before the deadline and it died in the committee.

B. Defensive

Failed:

Electrical Administrative Board - S.B. 151, died in the Senate Committee on State Affairs, would have provided for: the creation of an electrical administrative board with authority to establish minimum standards for electrical equipment and its installation; statewide inspections of

electrical installations and the appointment of electrical inspectors; the licensing of electrical contracting firms and electrical journeymen; the prohibition of the installation of electrical equipment without first securing a permit and making it unlawful to supply current to an illegal installation of electrical equipment.

H.B. 186 (same as S.B. 151) died in House Committee. (These bills are similar to S.B. 120 which was introduced and failed of enactment at the 1951 session of the legislature.)

C. Collateral

Enacted:

Public Utilities - Rate Changes - H.B. 435, approved May 3, 1952, Public Act 243, adds Section 6a to the Public Utilities Act (Sec. 460.1 to 460.6, Compiled Laws, 1948) providing that before any proposed rate change sought by a utility, which would result in increased costs to customers, can be authorized, due notice shall be given to all cities, villages and townships within the service area to be affected and a reasonable opportunity afforded them to be heard. It also provides that when a rate change will not result in increased costs to customers it may be approved without any notice or hearing.

Telephone Companies - Rate Changes - S.B. 309, approved April 25, 1952, Public Act 173, amends Section 10, Act 206, Public Acts 1913 (Sec. 484.110, Compiled Laws, 1948) relating to the regulation of telephone companies by providing that the Public Service Commission shall hold public hearings before approving any rate increases and requiring a telephone company to give such notice, as it deems reasonable, of its application of rate increases.

Telephone Party Lines - Emergency Calls - H.B. 134, approved April 3, 1952, Public Act 56, adds Sec. 540A and 540B to the Michigan penal code (Sec. 750.1 to 750.568, Compiled Laws, 1948) providing that "any person who shall willfully refuse to yield or surrender the use of a party line to another person for the purpose of permitting such other person to report a fire or summon police, medical or other aid in case of emergency, shall be deemed guilty of a misdemeanor." It also provides that telephone companies shall have the text of this act printed on the inside cover or front page of its telephone directory.

H.B. 274 (same as H.B. 134) died in Committee.

St. Lawrence Seaway Project - H.C.R. 31, adopted by the Legislature, supports the St. Lawrence Seaway Navigation and Power Project and requests "each member of the Michigan delegation in Congress to take all steps possible to secure the adoption of the project by the federal government."

S.C.R. 17 (same as H.C.R. 31) died in Senate.

Failed:

Telephone Companies - Consolidation - H.B. 433, died in House Committee, would have added a new Section 25 to Act 206, Public Acts, 1913 (Sec. 484.101 to 484.124, Compiled Laws, 1948) relating to the regulation of telephone companies by providing that the Public Service Commission may require the transfer or consolidation of a telephone exchange of a company either upon its own motion or upon the filing of a petition signed by not less than 90 percent of the subscribers of such telephone exchange requesting the transfer.

1952 Colorado Legislation - Final Report
Regular Session: January 2 to February 9, 1952

[The constitutional amendment authorizing annual sessions prohibits enactment of bills, other than appropriation and revenue raising measures, except subjects designated in writing by the Governor during the first 10 days of the session. On January 11, 1952, Governor Dan Thornton sent a message to the legislature listing 13 subjects for consideration including a proposed amendment to Section 52, Chapter 61, 1935 Colorado Statutes Annotated, relating to eminent domain. See H.B. 62, below.]

A. Affirmative

No affirmative legislative program was undertaken by REA borrowers in Colorado during the 1952 session of the legislature.

B. Defensive

Enacted:

Cooperatives - Income Tax - H.B. 33, approved February 18, 1952, and applicable to all taxable years ending on and after December 31, 1952, amends Chapter 175, Colorado Session Laws, 1937. This act eliminates cooperatives, including electric and telephone cooperatives, from the list of exempt organizations and makes them specifically subject to the State income tax. The act requires all cooperatives to file income tax returns. REA financed cooperatives are permitted to take as a deduction from taxable income the allocations and credits paid to "customers" as well as to members. The cooperatives may take, as a deduction, all capital credits or other patronage refunds, whether paid in cash, or set up on the books as an obligation, arising from net margins in the operation of the cooperative's business. The cooperative is required to file a return with the Department of Revenue showing the allocation or credit to each member or customer who is also furnished with a copy of such return and a notice that the allocation or credit "constitutes taxable income to the recipient." The act further provides that individual taxpayers may, in reporting their personal income, exclude from income such allocations or credits when they represent "refunds and rebates on amounts expended for personal, living or family expenses."

The act was recommended as a result of a study by a joint legislative committee appointed pursuant to S.J.R. 18, 38th General Assembly, 1951, to make a study of tax-exempt organizations. The Colorado REA co-ops appeared before this committee on August 20 and 21, 1951 in support of the continuation of their tax-exempt status. In its report, committee recommendations 3 and 4 stated:

- "3. That every distribution, in whatever amount, made to members by a marketing, purchasing or REA cooperative or a credit union be reported to the State Department of Revenue on forms to be prescribed by the Director of Revenue, such forms to contain the name and address of the recipient and the amount of the distribution made to each recipient.

4. That every marketing, purchasing or REA cooperative, every credit union, and every savings and loan association be required to appropriately advise their members that every allocation, distribution or credit (other than bona fide repayments of borrowed money) made by such organizations are taxable income under the laws of the State of Colorado in the hands of the recipients, whether such allocations, distributions or credits are made in cash or otherwise."

C. Collateral

Enacted:

Eminent Domain - H.B. 62, approved February 8, 1952 and effective December 15, 1952, amends Section 52, Chapter 61, 1935 Colorado Statutes Annotated, relating to companies that may condemn real estate, rights of way, easements or other rights, by adding companies formed for the purpose of constructing "electric line or electric plants."

1952 Nebraska Legislation - Final Report
First Special Session: April 17 to April 24, 1952

Governor Val Peterson called the Nebraska legislature into special session to consider legislation relating to flood control and to appropriate funds to alleviate flood damage caused by the Missouri River floods. Special sessions of the legislature are limited to consideration of items listed in the Governor's proclamation.

No legislation of interest to REA borrowers was noted.

1951-52 Missouri Legislation - Final Report*
Session: January 3, 1951 to April 30, 1952

A. Affirmative

Failed:

Rural Electric Cooperatives - Board of Directors - H.B. 284, passed House April 18, 1951 (111-8), died in the Senate, would have amended Section 394.140 Rev. Stats. Mo. 1949 (Section 5395, Rev. Stats. Mo. 1939) relating to the qualifications for members of the board of directors of a rural electric cooperative by providing that in lieu of the present requirement that a director be a member of the cooperative, he may be "a member, a stockholder, or an employee of a cooperative or other corporation which is a member thereof."

This bill was sponsored by the Missouri State Rural Electrification Association in cooperation with the Missouri Farm Bureau Association and the Missouri Farmers Association. Enactment of this bill was sought to eliminate doubts raised by certain cases in other jurisdictions as to whether a cooperative could be an incorporator of another cooperative; whether a cooperative, through its individual representative, could be a director of another cooperative; and whether federated cooperatives are permitted under the Rural Electric Cooperative Act. A similar amendment was offered in the 1949 session of the Missouri legislature and was defeated. The bill was passed by the House on April 8 by a vote of 111 to 8. At the hearing held by the Senate Agriculture Committee on May 14, representatives of commercial power companies and of organized labor appeared in opposition while a large delegation of rural leaders representing the rural electric cooperatives and the Missouri Farmers Association testified in support of the bill. The bill was reported out of Committee with a recommendation of "do pass". On March 5, 1952 the bill was amended in the Senate by striking out the provision permitting an "employee" to be a member of the board of directors and adding a further requirement relating to directors by requiring that "not less than one of whom shall be a bona fide citizen and resident of this state." Another amendment was offered by Senator Smith to add the following to Section 394.140(1): "Provided that no such co-operative shall enter into a lease or make a lease as lessor which would create an estate or interest in electric transmission or distribution lines or system or electric generating plants presently or prospectively owned by the co-operative in any person, firm or corporation, governmental agency or instrumentality other than to a member of the co-operative located in a rural area." On the motion of Senator Quinn, further consideration of the bill and amendment was postponed. The bill and amendment were placed on the informal calendar of the Senate where they died with the adjournment of the legislature.

Electrical Service - "Pirating" of Consumers - H.B. 308, passed House April 25, 1951 (95-3), died in Senate Judiciary Committee; as originally introduced, Section 1 of this bill provided that no offer of electrical service may be made to any premises already receiving such service without first obtaining the written consent of the present or former supplier of such service. Section 2 of the bill further provided that its provisions

were to be enforced by the public service commission where both suppliers of service are public utilities subject to the control of the commission and in all other cases by any court of competent jurisdiction upon proper complaint. This bill was reported from the House Committee on Rural Electrification on March 14, 1951, with the recommendation that it "do pass". On March 21, 1951, Section 1 of the bill was amended to permit service "on request of the consumer where parallel lines are in operation at the effective date of this act, or where the consumer is willing to connect his line with that of another producer." On April 12, 1951, the bill was further amended to add Section 3 which provided that this act shall not apply where the franchise of an electrical corporation expires and a municipality elects to grant a franchise to another supplier. This new section also provided that if on June 30, 1951 there were two or more convenient sources of supply of electrical energy available to a consumer, the consumer could select either of the utilities as a source of supply. The bill passed the House with these amendments on April 25, 1951 by a vote of 95-3. It died in the Senate Committee on the Judiciary where it had been decided to let it remain because of the adverse amendments adopted by the House.

This bill was sponsored by the Missouri State Rural Electrification Association in cooperation with the Missouri Farmers Association. Its enactment was sought to meet the problem arising out of the activities of some commercial power companies in soliciting consumers who are already receiving service from rural electric cooperatives.

Electric Service to Areas Which Cease to be "Rural" - Recommendation - Consideration was also given to amendment of Section 5388, Rev. Stats. Mo. 1939, to empower a cooperative to continue to furnish service in areas which have ceased to be rural by reason of increase in population or inclusion in a city, town or village, or otherwise. A similar provision had been included in S.B. 93 which was considered at the 1949 legislative session. However, prior to enactment of S.B. 93, this provision had been amended to require a cooperative to sell its property within the municipal boundaries to the municipality or private utility holding a franchise therein. The State Association decided not to sponsor legislation on this subject during the 1951 session.

Rural Telephone Cooperative Act - H.B. 286, passed House April 18, 1951 (108-3), died in Senate Judiciary Committee, as originally introduced and referred to the House Committee on Judiciary, was essentially the same as the model Rural Telephone Cooperative Act. It was reported from the Committee on March 21, 1951 with the recommendation that it "do pass" with two committee amendments. The first of the committee amendments struck out the provisions of Section 25 exempting cooperatives from the jurisdiction of the Public Service Commission and substituted new language specifically making telephone cooperatives subject to the supervision and jurisdiction of the Public Service Commission. The second amendment would have added to the definition of "rural area" language eliminating therefrom any suburban or populated area contiguous to the boundaries of any city, village or borough having a common economic, social or administrative interest with such city, village or borough. On March 22, 1951, the House adopted amendment number one as recommended and amendment number two after adopting a further amendment limiting the restriction to areas within one mile of the boundaries of any city, village or borough if such suburban area has a common economic, social or administrative interest. The House passed this bill on April 18, 1951, by a vote of 108 to 3. The bill died in the Senate Judiciary Committee.

This bill was sponsored by the Missouri Farmers Association in cooperation with the Missouri State Rural Electrification Association and other farm organizations. It had been recommended earlier that the Missouri Cooperative Companies Act be amended to make it available for the formation and operation of telephone cooperatives, and that a bill to require compulsory interconnection be considered. However, it was decided to sponsor the model Rural Telephone Cooperative Act. As a result of the adverse amendments placed in the bill by the House, further efforts were not made to obtain the final enactment of this bill.

B. Defensive

Failed:

State Electrical Board - H.B. 99, dropped from House Calendar, would have established a State Electrical Board and provided for the registration and licensing of electrical contractors and the inspection of electrical installations.

C. Collateral

Enacted:

Professional Engineers - S.B. 173, relating to the registration of architects and professional engineers, repeals and re-enacts several sections of Chapter 327, Rev. Stats. 1949.

Failed:

Nonprofit Corporations - S.B. 15, died in Senate, would have enacted a nonprofit corporation enabling bill.

Eminent Domain - S.B. 262, died in Senate, would have repealed and re-enacted Sections 523.010 and .050, Rev. Stats. 1949, relating to condemnation procedure.

Public Service Commission - H.B. 23, adversely reported by Committee, died in House, would have amended Section 386.020, Rev. Stats. 1949, to delete definition of "person" from public service commission law. (The purpose of this bill is unknown.)

Telephone Billing - H.B. 110, dropped from House calendar, would have required a monthly statement to subscribers of measured telephone service, showing actual register reading of the number of local calls.

Utility Labor Disputes - H.B. 112, tabled in House, would have repealed Sections 295.010 to .210, Rev. Stats. 1949, relating to the mediation of labor disputes in public utilities.

H.B. 201, adversely reported by committee, died in House, would have repealed and re-enacted Chapter 295, Rev. Stat. 1949, relating to labor disputes involving public utilities.

H.B. 348, adversely reported by committee, died in House, also dealt with labor disputes involving public utilities.

1952 Louisiana Legislation - Interim Report, May 19, 1952
Session: Convened May 12, 1952 - Still in Session

No legislation of interest to REA borrowers has as yet been noted;
a final report will be prepared after adjournment which should occur
on or about July 11, 1952.

1952 California Legislation - Final Report
Sessions: (Budget) March 3 to April 1, 1952
(First Special) March 3 to April 2, 1952

[The session of the California legislature convening in even numbered years is limited in subject consideration to budget and revenue bills, urgent measures, acts calling elections, constitutional amendments, city and county charters. Governor Earl Warren's call for the first special session listed measures relating to civil defense, veterans, schools, etc.]

A. Affirmative

No affirmative program of legislation was undertaken by REA borrowers.

B. Defensive

None.

C. Collateral

Enacted:

Bureau of Reclamation - Withdrawal of Lands - S.J.R. 3-X, adopted by the First Special Session, memorializes Congress to take the necessary steps to restore to public entry 175,000 acres of land which the Bureau of Reclamation has withdrawn for use in connection with proposed projects in the watersheds of the Kern, Kings, San Joaquin, American, Feather, and Trinity Rivers, and the Putah and Mill-Deer Creeks. The resolution states that the Federal Power Commission has issued orders for the comprehensive power development of Kings River by local agencies and that the Bureau of Reclamation is seeking to have such orders set aside by the courts. It further points out that the Water Project Authority of California has filed an application with the Federal Power Commission for a license for the Feather River project and other local public and private agencies have filed applications with the Federal Power Commission for authority to develop California water resources for power and other uses involving watersheds which are under Bureau of Reclamation withdrawals.

S.C.R. 2-X, adopted by the First Special Session, urges the Water Project Authority of California to protest the withdrawal from public entry of 49,000 acres of land by the Bureau of Reclamation for the Feather River Diversion, Central Valley Project. The resolution states that the State of California has filed with the Federal Power Commission to secure the necessary federal license to construct facilities for power development on the Feather River.

1952 Idaho Legislation - Final Report
First Special Session: January 15 to January 16, 1952

Governor Len Jordan called the Idaho legislature into special session to consider legislation relating to motor vehicle licensing. Special sessions of the legislature are limited to consideration of items listed in the Governor's proclamation.

No legislation of interest to REA borrowers was noted.

1952 Arizona Legislation - Final Report
Regular Session: January 14 to March 27, 1952

A. Affirmative

No affirmative legislative program was undertaken by REA borrowers in Arizona during the 1952 session of the legislature.

B. Defensive

No legislation adversely affecting the rural electrification and telephone programs was introduced.

C. Collateral

Enacted:

Underground Water Commission - S.B. 56, approved and effective March 17, 1952, Chapter 49, creates an underground water commission of 24 members to be appointed by the Governor. The Commission is authorized to make a comprehensive study of the source, extent and nature of the underground waters of the State, and to submit a report to the Governor and the Legislature. Section 3 prohibits the pumping of water from any well in any area now or hereafter declared to be a critical area under the provisions of the groundwater code of 1948. The Commission is given the authority to intervene in litigation involving rights to underground water. Section 4 appropriates \$100,000 to the Commission to carry out its duties.

H.B. 207 (same as S.B. 56) Died in House.

Engineers Registration - S.B. 51, approved April 3, 1952 amends Sections 67-1802 and 67-1804, A.C.A. 1939, relative to registration of engineers, architects, land surveyors and assayers and increases membership of board from 7 to 9 members.

Failed:

State Water Project Authority - H.B. 56, died in the House, would have created a State Water Project Authority which would have been empowered to construct and operate dams, irrigation and power canals, hydro-electric plants, transmission lines, substations, etc. to be known as the Glen-Bridge-Verde-Highline Project. Section 42 of the bill would have granted the Authority the right to give preference, in the sale of electric power, to "State agencies or other organizations not organized or doing business for profit but primarily for the purpose of supplying water or electric power to their own citizens or members."

Ground Water Code - S.B. 66, died in the Senate, would have created a Groundwater Resources Board and established a Ground Water Code for the State of Arizona. The bill would have provided that all ground waters in the State are the property of the public and subject to appropriation

October 20, 1952

Supplement to Report on

"1952 State Legislation Affecting the REA Program"

The following supplements the above report of June 2, 1952:

NORTHEAST AREA -

Massachusetts - The legislature adjourned July 5, 1952. No additional legislation of interest to the REA programs was noted. H.2242 relating to hydro-electric resources, listed as pending, failed to pass. A special session of the legislature was held from September 9 to 16, 1952 to consider legislation relating to pensions for legislators.

New Jersey - The Constitutional session of the legislature which convened on May 27 adjourned June 9, 1952.

Michigan - The legislature adjourned June 19, 1952. No additional legislation of interest to the REA programs was noted.

WESTERN AREA -

Nebraska - A second special session of the legislature met from August 27 to September 5, 1952 to consider legislation relating to refunding school taxes, increasing old age assistance payments and control of hog diseases.

California - A second special session of the legislature met from August 4 to August 13, 1952, to consider legislation relating to public welfare and taxation.

Utah - A special session of the legislature met from June 12 to June 14, 1952, to consider legislation relating to soldier voting, state employees retirement and claims against the State.

SOUTHWEST AREA -

Arizona - A special session of the legislature met from July 30 to August 1, 1952, to consider legislation relating to public welfare.

Louisiana - Final Report - Session: May 12 to July 10, 1952:

A. Affirmative: No affirmative program of legislation was undertaken by REA borrowers.

B. Defensive: No bills adversely affecting the rural electrification or rural telephone programs were noted.

C. Collateral: Enacted:

Corporations - Mortgages - S.B.335, approved July 10, 1952, Act 473, amends Louisiana Revised Statutes 12:601 relating to the financing of corporate activities through issuances of bonds by adding language providing that mortgages securing such bonds shall be effective as to after-acquired or future property to the extent set forth therein. It also provides that "such mortgage, if made of all of the transmission and distribution lines

of any electric light or power, waterworks or gas light or fuel corporation, shall bear upon the entire system of transmission and distribution lines and all extensions thereof or additions thereto made during the term of said mortgage, though the same be not completed or contemplated at the time the mortgage is made, and such mortgage may also be made to bind the appurtenances of said transmission or distribution lines, their equipment, accessories, substations, regulator stations, transformers, and any and all other parts thereof. No recordation of such mortgage shall be required except in the real estate mortgage records of the parish in which such property is situated."

H.B. 328, approved June 26, 1952, Act 131, adds Section 602 to Title 12, Louisiana Revised Statutes (R.S. 12:602) relating to mortgages executed by public utility corporations, including electric, water power and telephone utilities, by providing that such mortgages "shall be effective as to after-acquired or future property to the extent set forth therein and the property subject thereto may be described in general terms." The section further provides that "no recordation of mortgage shall be required except in the real estate mortgage records of the parish in which the property is situated, even though movable property is included."

Sabine River Watershed - S.B. 209 approved July 10, 1952, Act 449, authorizes the Director of Public Works, or designee, to represent the State of Louisiana in negotiations for a compact regarding the distribution and use of the waters of the Sabine River.

C. Collateral: Failed:

Public Utilities - Strikes - S.B. 292, died in Senate, would have made it unlawful to strike against any public utility whose rates are regulated by any state board, agency or commission.

Utility Districts - H.B. 601, died in House, would have provided for a constitutional amendment (art. 14, sec. 14) to authorize police juries to create utility districts for the purpose of acquiring or constructing revenue-producing public utilities.

H.B. 602, died in House, would have added Louisiana Revised Statutes 33:4291-33:4302 authorizing utility districts to acquire, maintain and operate revenue producing public utilities.

Contractors Licensing - H.B. 877, died in House, would have provided for the regulation of the practice of general contracting and created the State Licensing Board of General Contractors.

State legislation affecting the
REA program.
1952

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